DOCUMENT RESUME

ED 065 748 AC 012 725

TITLE	Improvements Needed in Management of Training Under the Government Employees Training Act. Report to the Congress.
INSTITUTION	Comptroller General of the U.S., Washington, D.C.
REPORT NO	DOD-B-70896
PUB DATE	25 May 71
NOTE	52p.
EDRS PRICE	MF-$0.65 HC-$3.29
DESCRIPTORS	Administration; Economic Factors; Government (Administrative Body); *Government Employees; *Job Training; Military Personnel; National Defense; *Personnel Management; Program Budgeting; *Program Improvement; Recordkeeping; Surveys
IDENTIFIERS	Department of Defense; DOD

ABSTRACT

The General Accounting Office (GAO) reviewed the Department of Defense (DOD) management of its employee training program at 14 installations to see what had been done in response to the recommendations for improvements and to determine the current status of the program. The findings and conclusions are contained in four chapters: (1) "Training of Government Civilian Employees"; (2) "Total Cost of Federal Training Program Not Available," in which erroneous reports resulting from inadequacies in recordkeeping is discussed; (3) "Need for Improvements in Management of Training Programs," which reviews inconsistencies in implementation of training plan requirements, and inadequacies in training evaluations and in documenting the training given; and (4) "Scope of Review," which lists the installations reviewed. Appendexes include letters and comments on the draft report from the Chairman, U. S. Civil Service Commission and from the Assistant Secretary of Defense (Manpower and Reserve Affairs). (LS)

U.S. DEPARTMENT OF HEALTH
EDUCATION & WELFARE
OFFICE OF EDUCATION
THIS DOCUMENT HAS BEEN REPRODUCED EXACTLY AS RECEIVED FROM THE PERSON OR ORGANIZATION ORIGINATING IT. POINTS OF VIEW OR OPINIONS STATED DO NOT NECESSARILY REPRESENT OFFICIAL OFFICE OF EDUCATION POSITION OR POLICY

ED 065748

AC 012 725

REPORT TO THE CONGRESS

Improvements Needed In Management Of Training Under The Government Employees Training Act B-70896

Department of Defense

BY THE COMPTROLLER GENERAL OF THE UNITED STATES

1 MAY 25, 1971

COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-70896

To the President of the Senate and the
Speaker of the House of Representatives

This is our report on improvements needed in management of training under the Government Employees Training Act in the Department of Defense.

Our review was made pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

Copies of this report are being sent to the Director, Office of Management and Budget; the Secretary of Defense; the Secretaries of the Army, Navy, and Air Force; the Director, Defense Supply Agency; and the Chairman, United States Civil Service Commission.

Elmer B. Staats
Comptroller General
of the United States

COMPTROLLER GENERAL'S REPORT TO THE CONGRESS

IMPROVEMENTS NEEDED IN MANAGEMENT OF TRAINING UNDER THE GOVERNMENT EMPLOYEES TRAINING ACT
Department of Defense B-70896

D I G E S T

WHY THE REVIEW WAS MADE

House Report 329, issued June 1, 1967, identified problems in employee training in the Federal government and recommended improvements.

The General Accounting Office (GAO) reviewed the Department of Defense (DOD) management of its employee training program at 14 installations to see what had been done in response to the recommendations and to determine the current status of the program.

FINDINGS AND CONCLUSIONS

The House report estimated that $180 million was spent in fiscal year 1966 for training all Federal employees. The same weaknesses identified in 1967 regarding training costs continued to exist within DOD during fiscal year 1970.

--The military departments and DOD agencies did not have adequate accounting systems for determining and reporting accurate costs of training. (See p. 9.)

--Not all training costs were being identified in the cost accounting systems. (See p. 8.)

--Information reported to the Congress tended to give a distorted picture of the training programs that were being operated under the act. This happened because more than 75 percent of the costs were never reported. (See p. 8.)

Costs shown in the annual training report are not obtained from the accounting system, but from various source documents. In attempting to determine the accuracy of these costs, GAO found that, in most cases, the documents either were not available or could not be reconciled to the report. (See p. 9.)

Trainee salaries have never been reported as a training cost in the annual training report. GAO believes that this is the most significant cost element in the Federal training program and should be reported. (See p. 8.)

Tear Sheet

MAY 25, 1971

Training programs at the military installations visited were in various stages of development. For example, at some of the Army installations, a training plan had been developed through the joint efforts of supervisors, training personnel, and the training committee. In contrast, none of the three Navy activities had prepared an overall installation training plan as required. Instructions issued by the military services and the Defense Supply Agency for determining training needs and developing training plans generally appeared adequate. They had not been effectively implemented, however, at the majority of the installations visited. (See p. 16.)

Discussions with employees revealed that most of them thought that training selection procedures had been applied fairly. The majority of those trained said that they had been informed of the objectives of the training course prior to attendance and that the training had improved their job performance. GAO believes that generally the selection procedures were applied fairly, but there was little indication at some installations of a systematic method of selection. (See p. 20.)

In addition, GAO believes that weaknesses in the training program are indicated, as follows:

--Inadequate procedures and controls to ensure that all completed training is recorded in the individual's personnel folder as required. (See p. 24.)

--Evaluations of training completed have not been documented to provide management with an opportunity to systematically analyze the effectiveness of particular training courses in meeting organizational needs. (See p. 23.)

--Internal audits and Civil Service Commission inspections have not been made in recent years to provide management with an independent evaluation of the training program. (See p. 27.)

RECOMMENDATIONS OR SUGGESTIONS

The Secretary of Defense should

--consider identifying training costs in the accounting system to make these data available to managers at all levels (see p. 12);

--ensure that DOD Instruction 1430.5, prescribing policies and standards for the conduct of training, is properly implemented (see p. 29);

--ensure that adequate procedures and management controls are established for recording completed training in the personnel files (see p. 29); and

--promote increased emphasis on surveillance of training activities by the use of management review groups, including internal auditors (see p. 29).

The Chairman of the Civil Service Commission should

--provide more leadership in recommending or establishing a uniform costing system for training items to ensure that costs are comparable (see p. 12) and

--provide more frequent inspections of the training activities at military departments and DOD agencies (see p. 29).

AGENCY ACTIONS AND UNRESOLVED ISSUES

The Civil Service Commission agreed, in general, with GAO's findings. The Commission, however, does not believe it practical for DOD--or any other large Federal organization--to establish procedures requiring that training cost items be identified in accounting systems. (See p. 12.)

The Commission is attempting to determine the practicality of developing cost models for training. DOD, in recognition of the importance of identifying and recording costs of training, will continue to cooperate in testing the system being developed by the Commission for Government-wide application. GAO will reserve further comments until we have had the opportunity to evaluate that system in operation. (See pp. 13 to 15.)

DOD will reemphasize to the military departments and defense agencies the need to comply with prescribed policies and standards for training civilians. Particular emphasis will be given to the administrative requirements for recordkeeping.

DOD and the Commission recognize the need to cover training activities when making reviews and inspections.

The corrective actions of the Commission and DOD appear to be responsive to the conditions cited in this report.

MATTERS FOR CONSIDERATION BY THE CONGRESS

These matters are being reported to provide more current information on the management of training programs under the Government Employees Training Act in DOD.

Contents

		Page
DIGEST		1
CHAPTER		
1	TRAINING OF GOVERNMENT CIVILIAN EMPLOYEES	4
2	TOTAL COST OF FEDERAL TRAINING PROGRAM NOT AVAILABLE	7
	Cost of internal training not reported	7
	Trainee salary cost not reported	8
	Erroneous reports resulting from inadequacies in recordkeeping	9
	Recommendations	12
	Agency comments and GAO evaluation	12
3	NEED FOR IMPROVEMENTS IN MANAGEMENT OF TRAINING PROGRAMS	16
	Inconsistencies in implementation of training plan requirements	16
	Selection of employees for training	20
	Inadequacies in training evaluations	23
	Inadequacies in documenting training given	24
	Training needs not categorized as suggested in subcommittee report	26
	Training of foreign national employees	26
	Lack of internal audits and inspections	27
	Recommendations	29
	Agency comments and GAO evaluation	29
4	SCOPE OF REVIEW	32
APPENDIX		
I	Letter dated September 21, 1970, from the Chairman, United States Civil Service Commission, to the General Accounting Office	35
II	Letter dated October 2, 1970, from the Assistant Secretary of Defense (Manpower and Reserve Affairs) to the Comptroller General of the United States	42

APPENDIX Page

III Principal officials of the Department of Defense, the military departments, and the United States Civil Service Commission responsible for administration of activities discussed in this report 45

ABBREVIATIONS

CONUS	Continental United States
DOD	Department of Defense
GAO	General Accounting Office

COMPTROLLER GENERAL'S
REPORT TO THE CONGRESS

IMPROVEMENTS NEEDED IN MANAGEMENT OF TRAINING UNDER THE GOVERNMENT EMPLOYEES TRAINING ACT
Department of Defense B-70896

D I G E S T

WHY THE REVIEW WAS MADE

House Report 329, issued June 1, 1967, identified problems in employee training in the Federal government and recommended improvements.

The General Accounting Office (GAO) reviewed the Department of Defense (DOD) management of its employee training program at 14 installations to see what had been done in response to the recommendations and to determine the current status of the program.

FINDINGS AND CONCLUSIONS

The House report estimated that $180 million was spent in fiscal year 1966 for training all Federal employees. The same weaknesses identified in 1967 regarding training costs continued to exist within DOD during fiscal year 1970.

--The military departments and DOD agencies did not have adequate accounting systems for determining and reporting accurate costs of training. (See p. 9.)

--Not all training costs were being identified in the cost accounting systems. (See p. 8.)

--Information reported to the Congress tended to give a distorted picture of the training programs that were being operated under the act. This happened because more than 75 percent of the costs were never reported. (See p. 8.)

Costs shown in the annual training report are not obtained from the accounting system, but from various source documents. In attempting to determine the accuracy of these costs, GAO found that, in most cases, the documents either were not available or could not be reconciled to the report. (See p. 9.)

Trainee salaries have never been reported as a training cost in the annual training report. GAO believes that this is the most significant cost element in the Federal training program and should be reported. (See p. 8.)

Training programs at the military installations visited were in various stages of development. For example, at some of the Army installations, a training plan had been developed through the joint efforts of supervisors, training personnel, and the training committee. In contrast, none of the three Navy activities had prepared an overall installation training plan as required. Instructions issued by the military services and the Defense Supply Agency for determining training needs and developing training plans generally appeared adequate. They had not been effectively implemented, however, at the majority of the installations visited. (See p. 16.)

Discussions with employees revealed that most of them thought that training selection procedures had been applied fairly. The majority of those trained said that they had been informed of the objectives of the training course prior to attendance and that the training had improved their job performance. GAO believes that generally the selection procedures were applied fairly, but there was little indication at some installations of a systematic method of selection. (See p. 20.)

In addition, GAO believes that weaknesses in the training program are indicated, as follows:

--Inadequate procedures and controls to ensure that all completed training is recorded in the individual's personnel folder as required. (See p. 24.)

--Evaluations of training completed have not been documented to provide management with an opportunity to systematically analyze the effectiveness of particular training courses in meeting organizational needs. (See p. 23.)

--Internal audits and Civil Service Commission inspections have not been made in recent years to provide management with an independent evaluation of the training program. (See p. 27.)

RECOMMENDATIONS OR SUGGESTIONS

The Secretary of Defense should

--consider identifying training costs in the accounting system to make these data available to managers at all levels (see p. 12);

--ensure that DOD Instruction 1430.5, prescribing policies and standards for the conduct of training, is properly implemented (see p. 29);

--ensure that adequate procedures and management controls are established for recording completed training in the personnel files (see p. 29); and

--promote increased emphasis on surveillance of training activities by the use of management review groups, including internal auditors (see p. 29).

The Chairman of the Civil Service Commission should

--provide more leadership in recommending or establishing a uniform costing system for training items to ensure that costs are comparable (see p. 12) and

--provide more frequent inspections of the training activities at military departments and DOD agencies (see p. 29).

AGENCY ACTIONS AND UNRESOLVED ISSUES

The Civil Service Commission agreed, in general, with GAO's findings. The Commission, however, does not believe it practical for DOD--or any other large Federal organization--to establish procedures requiring that training cost items be identified in accounting systems. (See p. 12.)

The Commission is attempting to determine the practicality of developing cost models for training. DOD, in recognition of the importance of identifying and recording costs of training, will continue to cooperate in testing the system being developed by the Commission for Government-wide application. GAO will reserve further comments until we have had the opportunity to evaluate that system in operation. (See pp. 13 to 15.)

DOD will reemphasize to the military departments and defense agencies the need to comply with prescribed policies and standards for training civilians. Particular emphasis will be given to the administrative requirements for recordkeeping.

DOD and the Commission recognize the need to cover training activities when making reviews and inspections.

The corrective actions of the Commission and DOD appear to be responsive to the conditions cited in this report.

MATTERS FOR CONSIDERATION BY THE CONGRESS

These matters are being reported to provide more current information on the management of training programs under the Government Employees Training Act in DOD.

CHAPTER 1

TRAINING OF GOVERNMENT CIVILIAN EMPLOYEES

The Government Employees Training Act (5 U.S.C. 2301) provides for Government-sponsored programs to supplement and extend self-education, self-improvement, and self-training by employees. Training is defined by the act to be:

> "*** the process of providing for and making available to an employee, and placing or enrolling such employee in, a planned, prepared, and coordinated program, course, curriculum, subject, system, or routine of instruction or education, in scientific, professional, technical, mechanical, trade, clerical, fiscal, administrative, or other fields which are or will be directly related to the performance by such employee of official duties for the Government, in order to increase the knowledge, proficiency, ability, skill, and qualifications of such employee in the performance of official duties."

Both the Executive Order No. 11348 of April 20, 1967, which resulted in part from the findings of the Presidential Task Force on Career Advancement, and the act gave the Civil Service Commission the responsibility and the authority for the effective promotion and coordination of programs established and training operations under these programs. The Commission was directed to prescribe regulations containing the principles, standards, and related requirements for the programs, and plans thereunder, for the training of employees of the departments under authority of the act.

House Report 329, dated June 1, 1967, issued by the Subcommittee on Manpower and Civil Service, House Committee on Post Office and Civil Service, identified a number of problem areas in the effectiveness of implementation of the act. Principal among these were a lack of cost accounting systems for determining training costs, particularly in-house costs; an inadequate amount of interagency training; inadequate monitoring of non-Government training sources; questionable practices in selecting employees for training; potential duplication of training efforts; and deficient evaluation of training programs.

To correct these problems, the Subcommittee recommended that

--the Commission provide leadership to departments and agencies in establishing better cost systems for training;

--departments and agencies, with Commission leadership, give greater consideration to allowing more employees from other agencies to participate in their training programs;

--training through non-Government sources be more closely reviewed to ensure that comparable training is not more economically available within the Government;

--local application of trainee selection procedures be more closely monitored;

--departments and agencies not develop and conduct training courses which are available through existing school systems; and

--departments and agencies develop and implement more adequate programs to evaluate all phases of their training programs, with emphasis on trainee performance after training.

The same Subcommittee, in House Report 207, dated April 24, 1967, commented, in part, on certain problems pertaining to the training of local nationals in Western European and Far Eastern countries.

DOD Directive 1430.4 assigns the responsibilities for civilian employee training to the Assistant Secretary of Defense (Manpower and Reserve Affairs) and delegates authority to conduct internal reviews of training needs and to establish and administer programs of training to the Secretaries of the military departments and the directors of DOD agencies. DOD Instruction 1430.5 prescribes policies and standards for the conduct of training.

Each of the military departments and the Defense Supply Agency have issued regulations to implement DOD basic policy.

These regulations, in general, delineate training responsibilities to headquarters and field activity officials and provide guidance for planning, administering, and reporting employee development and training operations.

Our review was conducted mainly at the civilian personnel offices of the military installations visited and was directed toward an evaluation of the management of the training of civilians in DOD, therefore this report is not intended as an overall evaluation of the personnel functions at these installations.

CHAPTER 2

TOTAL COST OF FEDERAL TRAINING PROGRAM NOT AVAILABLE

Concern of the Subcommittee about the identification and reporting of Federal training program costs, aggregating an estimated $180 million for fiscal year 1966, was evidenced in the Subcommittee's report by the following observations.

--Most Federal departments and agencies apparently do not have adequate systems for determining and reporting accurate costs of training.

--More emphasis needs to be placed on identifying training cost items in existing cost accounting systems.

--Annual reports reflect the cost of only non-Government training and consequently are potentially misleading with regard to the actual cost of training throughout the Federal Government.

--Annual reports tend to give a distorted picture of the training programs that are being operated under the Government Employees Training Act and their actual cost.

Our review of civilian training activities in DOD revealed that the conditions cited above still existed in that agency.

COST OF INTERNAL TRAINING NOT REPORTED

The annual training report prepared by DOD and submitted to the Commission and the Congress has never included the expenditures for internal (within DOD) training. Prior to the receipt of instructions for the preparation of the fiscal year 1970 training report, personnel at the installations had not been instructed to include the cost of internal training in the annual report.

During the 1970 appropriation hearings, the Commission was unable to provide the total cost of the Federal training program for fiscal years 1967-69. The only cost it could provide was the $180 million estimated in House Report 329 for fiscal year 1966. The appropriation Subcommittee was told that the training costs for fiscal year 1969 would be reported to the Commission by all Federal agencies and that, for the first time, agencies would estimate the cost of training conducted in their own facilities. Instructions to the military installations for the preparation of the 1969 training report, however, did not include the Commission's request for the cost of internal training, and, as a result, these costs were not reported.

Since the training reports prepared by DOD do not include the cost of internal training, which normally accounts for more than 75 percent of the total training costs as shown by House Report 329, we believe that the reports are still misleading and that they tend to give a distorted picture of the cost of the training program.

Since House Report 329 was issued, the annual reports prepared by DOD have included the cost of interagency training in addition to the cost of non-Government training. On the basis of the cost data developed for fiscal year 1966, however, the cost of interagency training accounted for about 3 percent of the total cost of about $180 million spent for training civilian employees.

TRAINEE SALARY COST NOT REPORTED

The Commission, in its instructions for the preparation of the annual training report through fiscal year 1970, made no provision for including the cost of trainee salaries as a cost of training. Thus the largest single cost element of the training program is excluded when installations report their expenditures for training.

On the basis of the reported hours of training, we estimated the cost of trainee salaries at the 11 installations visited to be in excess of $5 million. For the same installations the expenditures for training recorded in the annual report, which were for interagency and non-Government training only, amounted to $505,156. We believe that the

estimates developed at these installations indicate that the trainee salaries cost is the most significant element of cost in the Federal training program.

Salary costs are of particular significance at installations that sponsor long-term training programs at colleges or universities. For example, at one installation we noted that, during the first 10 months of fiscal year 1969, salary costs for employees attending a college or university amounted to $222,157 whereas materials, travel, and tuition costs were only $23,202. These long-term training costs accounted for about 60 percent of the total spent for all training. If salary costs are not reported, the cost of training is significantly understated.

In our opinion, the amount of money paid to an individual while he is in a training status is definitely a cost to be considered when developing the total cost of the Federal training program. We believe that any cost-benefit analysis of the training program would not be meaningful unless trainee salaries were considered.

ERRONEOUS REPORTS RESULTING FROM INADEQUACIES IN RECORDKEEPING

At the military installations visited, the costs incurred for the training of civilian employees were not readily available from the accounting system, because not all the training costs were identified separately. At many installations travel and per diem costs incurred in connection with training were not separated from other travel and per diem costs. Even at installations with a detailed cost accounting system, the total cost of the training program was not available from the accounting records. One installation reported training costs of about $1.9 million for the fiscal year, made up of salary and material costs from the accounting records plus travel and per diem costs estimated by the budget officer.

We found that persons responsible for reporting training expenditures and statistical data in the annual training report had accumulated the data from such sources as course announcements, attendance records, and travel orders. The cost data were not obtained from the accounting records. In

general, adequate procedures and controls had not been established to ensure the accuracy of the data reported.

Inadequacies in maintaining accurate and complete records have resulted in erroneous reports' being prepared and submitted to higher headquarters. These reports are the source of the information for the annual training report submitted to the Commission and the Congress. Also, these reports have been the source of information presented during appropriation hearings.

At the installations visited, we attempted to verify the accuracy of the costs and statistical data in the annual training report. In some instances we were informed that the schedules prepared in accumulating the information for the report had not been retained. In most cases the data in the report could not be reconciled with the documents which we were informed were the source of the information reported.

Examples of some of the inaccurate reporting of data in the training report follow.

One installation reported training costs of $92,680. In attempting to reconstruct the cost of training, however, agency personnel found that they had erroneously included $19,784 twice. As a result, training costs were overstated more than 25 percent.

Officials at one installation informed us that they did not submit a training report for fiscal year 1968 because of confusion during reorganization. Our review of available records indicated that about $195,350, exclusive of trainee salaries, was expended for training 839 participants in 1968.

Another installation's report indicated that 365 employees were trained in 1968. Our review of the civilian training report files, which we were informed were the source of the information for the training report, however, showed that 495 employees had been trained.

On the basis of our review, it appears that there has been no significant improvement in the determining and

reporting of training costs in DOD since House Report 329 was issued in 1967. As a result, we believe that it will not be possible to determine the total cost of the program unless more definite cost records are prescribed and maintained at each installation.

We believe that adequate procedures and controls should be developed to improve the accuracy of the reported data. We believe also that, to submit complete and accurate reports, personnel responsible for these reports at the installations need a better understanding of the reporting requirements and an appreciation of the importance of maintaining reliable supporting data.

RECOMMENDATIONS

We recommend that:

--The Secretary of Defense should consider the feasibility of instituting procedures to require training cost items to be identified in the accounting system to make this type of data available to managers at all levels for them to make decisions on various training programs on the basis of more complete information. This data also would be the basis of the cost information required in the annual training report as well as the basis for determining the total cost of the Federal training program in DOD.

--The Chairman of the Civil Service Commission should provide more leadership in recommending or establishing a uniform costing system for training items to ensure that costs are comparable. The policies and implementing instructions concerning what costs to include under the training program and how these costs are to be determined and reported should be disseminated to ascertain within reasonable levels of accuracy what the training program is costing.

AGENCY COMMENTS AND GAO EVALUATION

In commenting on our draft report, the Commission agreed, in general, with our findings that

--the cost of internal training had not been reported,

--trainee salary costs had not been reported, and

--erroneous training expenditure reports had been the result of inadequacies in recordkeeping. (See app. I.)

The Commission questioned whether our statement that the cost of internal training generally accounted for more than 75 percent of the total cost of training was supportable. The Commission appears to have assumed that our statement was based on its fiscal year 1969 annual report of training which indicated that 73.7 percent of total participant man-hours and 78.5 percent of total training instances

had been reported as internal training. The Commission observed that it could not be assumed that the ratio of internal costs to total costs would be directly proportionate to the ratio of internal participation to total participation.

We agree with such a rationale; however, the statement in our draft report is supported by the cost information presented in House Report 329. This is the same source of the cost information presented by the Commission during the 1970 appropriation hearings.

The Commission stated that it was not surprised that erroneous training reports had resulted from inaccurate training cost bookkeeping. As a result, the Commission is now developing cost and value analysis models which can be used by training staff members who have not had any prior accounting or bookkeeping experience. The Commission stated also that it believed that it was possible to determine both costs and benefits for use in planning, management, and reporting of training without the establishment of rigid accounting procedures--provided that both training and financial management staffs work closely together on a regular basis.

As discussed previously, the erroneous reports were generally the result of inadequate procedures and controls to ensure that all the appropriate data were reported. Even with the development of cost models, it will be necessary to have accurate input. We agree with the Commission that training and financial management staffs should work closely together on a regular basis; however, this apparently was not the case in preparing the training report.

In commenting on our statement that the cost of internal training was not reported, DOD stated (see app. II) that the instruction from the Commission to include the cost of internal training in its 1969 report was received too late to adjust reporting procedures without incurring excessive costs. Because of this, DOD, with the approval of the Commission, delayed reporting data on internal training until the 1970 report.

In commenting on our recommendations, the Commission stated that it did not believe that it would be practical

for DOD or any other large Federal organization to establish procedures requiring that training cost items be identified in accounting systems. The Commission believes that it is possible for agencies to develop analytically derived and periodically adjusted cost estimates which would be adequate for training management purposes. The Commission is attempting to determine the practicality of developing cost models for training.

The cost model development effort currently being conducted by the Commission is aimed primarily at determining the cost of internal training, therefore the model will include trainee hourly wages and lost productivity factors, which are the largest internal training costs. In addition, the model will include such items as overhead costs, i.e., building leases or rentals, utilities, special facilities, equipment, etc.

DOD, in commenting on our recommendations, stated that it recognized the importance of identifying and recording elements of costs associated with training and that it would continue to cooperate fully with the Commission in the development of long-range improvements in the financial management of training operations. DOD stated also that it planned to continue to work with the Commission to

--develop criteria for testing the Commission's training cost model at a DOD installation and

--participate actively in the Commission's improvement program by testing the system that the Commission is developing for Government-wide application.

DOD stated further that the Commission's approach, if successful, may make it unnecessary to attempt the difficult and potentially expensive task of adding training cost items to the present accounting system.

We do not object to the development of cost models to generate standard costs for the planning and management of the training program. Estimates so developed, however, should be periodically compared with actual costs to determine the reliability of the estimates. In our opinion, at the installations visited the major training cost items

(salaries, travel, and tuition) could be determined from accounting records without extensive modification of the existing accounting system. In such instances these costs should be utilized in measuring the reliability of the standard costs.

In view of the Commission's current efforts to develop cost models for training and DOD's statement that it will continue to cooperate fully with the Commission in testing the system being developed for Government-wide application, we will reserve further comments until we have had the opportunity to evaluate the system in operation.

CHAPTER 3

NEED FOR IMPROVEMENTS IN MANAGEMENT OF TRAINING PROGRAMS

INCONSISTENCIES IN IMPLEMENTATION OF TRAINING PLAN REQUIREMENTS

Although each of the services and the Defense Supply Agency issued instructions supplementing the provisions of the Federal Personnel Manual, providing for the planned training, development, and education of civilian employees, the degree of implementation varied, and as a result the training programs were in various stages of development.

In accordance with the Federal Personnel Manual, each agency is required to review periodically, but no less often than annually, its program to identify the training needed to bring about more effective performance at the least possible cost. Agencies can expect to get the best results when reviews of training needs are conducted in a planned and systematic manner and when they represent the conclusions of line management as well as the views of personnel and training staffs.

Army

Army instructions require a systematic, designed review of training needs to provide the basis for planning, programming, and establishing goals. The instructions provide for an employee development officer who is responsible for preparing training plans and coordinating the training program. In addition, they require the establishment of a local training committee to assist in the planning, coordinating, and evaluating of training matters.

At two of the three installations visited within the continental United States (CONUS), we noted that an annual training plan had been prepared on the basis of training needs identified by the joint action of operating and training personnel. The training committee at each installation had reviewed the training plan prior to referring it to the

commanding officer. At the third installation, although the procedures for planning to meet training needs had not been systematic in the past, actions had been taken to improve the situation. These actions included the establishment of a training committee, the implementation of new procedures for determining needs, and the preparation of written training plans.

On the basis of our review at two of the civilian personnel offices in the Pacific area, we believe that the procedures and methods used for identifying training requirements and preparing the training plans are, in general, adequate. We found, however, that there was no single training plan that reflected in detail the overall training program for the command. Instead, documentation concerning identified needs and the plan for accomplishing the related training are basically segregated into three groups according to the anticipated source of training. We believe that the lack of a consolidated training plan prevents collective consideration of total training needs when determining resources required and available, establishing priorities, and evaluating the training program.

Review of a civilian personnel office in Europe showed that an annual area training plan had been prepared on the basis of training needs identified by units during their survey. We found, however, that for fiscal year 1970 only 30 percent of the serviced units had participated in the needs survey. We were informed that it was difficult to get responses from the military units regarding training needs. As a result, we believe that the civilian personnel office's training plan is not based broadly enough to reflect properly the training needs present in the area.

Navy

The Navy, in implementing the requirements of the Federal Personnel Manual for identifying training needs, provided that reviews of training needs be made in a planned and systematic manner and be recorded in summary form by June 1 of each year for the next fiscal year. The Office of Civilian Manpower Management issued instructions in May 1967 which provided for appointment of an advisory committee

to assist in the overall planning, coordination, and evaluation of the education and training effort.

We found that no overall training plan had been prepared for any of the Navy installations visited. In addition, at two installations the training committee, which is responsible for development of the training plan, had not met for several years. Officials at the third installation attributed the lack of a training plan for fiscal year 1969 to a reorganization. Because of this, staff resources did not permit the normal preparation and submission of the training plan. Subsequent to our fieldwork the commander of this installation informed us that corrective action had been taken to improve the training plan development.

Air Force

Air Force regulations state that each supervisor must determine the development needs within his organization on a continuous and systematic basis and must document and report these needs. The regulations also provide that Air Force Form 1152, Civilian Development Record, be prepared to document individual training needs.

At one of the three CONUS installations visited, the annual training plan was based on a summarization of the Civilian Development Records prepared by the supervisors of the employees. The records listed the training needs of the employees and the priority to be used in meeting these needs. Discussions with some of the supervisors, however, indicated that most of them did not determine and report all their employees' development needs.

The other two CONUS installations did not have a training plan and were not identifying training needs as required. At one installation the training surveys identified only the number of courses needed and did not identify the individual employee or the need for the training. We were informed that in most cases the Civilian Development Record was not used as a planning document as required but was submitted after the course quotas had been received and the training budget had been approved. At the other installation the training surveys simply responded to the requests from

supervisors and did not list the training needs by organization in priority sequence.

At the Air Force installation outside the United States, where we conducted our review, the annual installation training plan had not been prepared. Officials agreed that one was required and said that in the future one would be prepared. In discussing the identification of training needs, 11 of the 25 supervisors interviewed said that they did not prepare and forward the Civilian Development Record to the civilian personnel office, where it is to be used as the basis of the installations' civilian development program.

Defense Supply Agency

At the Defense Supply Agency installation visited, the annual training plan did not provide management with summary information concerning the total training hours required or the total number of employees to be trained. In addition, only one of the training coordinators for the three directorates had procedures for a systematic review and evaluation of needs identified by supervisors.

- - - -

In our opinion the instructions issued by each of the military services and by the Defense Supply Agency for the determination of training needs and the development of training plans, in general, appeared adequate. They had not been effectively implemented, however, at the majority of the installations visited. In general, training needs were not being identified by supervisors in a planned and systematic manner for the consideration of management in assigning priorities and in developing training plans.

The revised DOD Instruction 1430.5, Civilian Employee Training Policies and Standards, dated September 19, 1969, sets forth instructions providing for each DOD component to prepare a proposed annual training plan based upon identified needs and priorities, a basis for selection procedures, and an evaluation of the effectiveness of training. If the provisions of this instruction are effectively implemented by all DOD components, it should correct many of the weaknesses identified during our review.

SELECTION OF EMPLOYEES FOR TRAINING

The Subcommittee report stated that practically all Federal agencies had adequate written procedures and guides for the use of their managers in selecting employees to attend training courses. The Subcommittee thought, however, that managers nominated employees for training many times without an adequate knowledge of the objectives of the training in relation to their work and that not enough thought was given to whether the employees needed the training to improve job performance.

At the military installations visited, of 153 employees responding to an inquiry, 141 were of the opinion that the selection procedures had been applied fairly. Similarly, the majority of those attending the training course said that they had been informed of the objectives of the course prior to attendance and that the training had improved their job performance.

The Federal Personnel Manual provides that employee-training selection procedures give consideration to, among other things, such factors as:

1. The relative degree of the employees' need for training and potential for advancement.

2. The relative extent to which the employees' knowledge, skill, attitude, or performance are likely to be improved by training.

3. The relative length of time and degree to which the agency expects to benefit from the employees' improved knowledge, skill, attitude, and performance.

4. The employees' own interest in, and efforts to improve, their work.

Although the results of our review indicated that generally the selection procedures had been applied fairly, we believe that at some installations there was little indication of a systematic method for selection.

For example, at one installation we were informed both by training branch personnel and by employees that for various reasons the employees receiving training were not always those who could utilize it best. They said that it was necessary to fill quotas given by service schools to avoid a reduction in allotted quotas. There are instances when, because of work load requirements, an alternate must be sent who may not be in a position to utilize the training received. Installation officials said that they would evaluate their selection process and would take corrective action where necessary.

At another installation most of the training was conducted in non-Government facilities because of the specialized nature of the training. Two long-term training programs were available to professional employees.

--The Graduate Academic Program, in which participants receive payment for full salary and tuition while working 20 hours a week and attending a local college or university.

--The Fellowship Program, in which participants receive payment for full salary and tuition while attending a college or university on a full-time basis.

Most participants work toward a master's degree under the Graduate Academic Program and for a Ph.D. degree in the Fellowship Program.

In discussions with supervisors we found that most of them did not have any systematic method, as prescribed in the Federal Personnel Manual, for the selection of employees for training but usually left it up to the employee to determine his own needs and to express a desire to receive training. In view of these selection procedures, we reviewed the records of the 47 participants who had completed the Graduate Academic Program between 1962 and May 1969 and found that only 19, or about 40 percent, were currently employed on a full-time basis.

Of the others, 13 had been involved in the Fellowship Program and 15 had terminated employment. Of the 15 who had terminated employment, nine accepted employment in private

industry, three returned to school, two transferred to other Government agencies, and one retired. Of those who accepted employment in private industry, we noted that five had left within a year, three had left within 2-1/2 years, and one had left about 4 years after completion of the program.

In our opinion, if more attention had been given to the factors set out in the Federal Personnel Manual for consideration in selecting the employees for training, rather than allow each employee to determine his own needs, the retention rate of the employees who had completed the program might have been better.

INADEQUACIES IN TRAINING EVALUATIONS

We found little evidence of documenting the evaluation of training completed. Although the majority of supervisors said that they had made evaluations of training, in most cases the evaluations had consisted of observations or discussions and had not been documented.

The Federal Personnel Manual provides that each agency carefully analyze and evaluate the results and effects of training provided to employees. As a minimum, evaluative methods should include a careful analysis of:

1. The extent to which specific training courses or programs produce desired changes in employee knowledge, skills, attitudes, or performances.

2. The extent to which the training courses that are provided cover the areas of greatest need.

3. The need for modification in the coverage or conduct of these training courses to meet changing agency needs.

Although instructions have been issued implementing the provisions of the Federal Personnel Manual, in most cases it appears that there has not been sufficient follow-up to ensure that evaluations are prepared and submitted.

Air Force regulations require a posttraining evaluation by the supervisor on every course over 40 hours. This evaluation is to be documented on a specified form and is to be submitted to the civilian personnel branch within 90 days after the training has been completed. All employees who participate in off-base training are provided course critique sheets to evaluate the training received. At one installation our review of records and interviews with 30 employees showed that they had attended 40 courses. Of these courses 19 required supervisors' evaluations whereas 26 of the courses required employees' evaluations. We found that only five of the 19 supervisors' evaluations and four of the 26 employees' evaluations had been prepared and submitted to the civilian personnel branch.

At one of the Navy installations, instructions dated June 1968 required an evaluation form to be completed within 90 days after completion of training. At the time of our review in 1969, however, no form had been developed for that purpose.

Most of the employees interviewed who had received training said that they had made no evaluations of the training received and that they were not aware of any evaluations' being made. Most supervisors stated that they had evaluated the employees' training but that generally it had been by observation or discussion and had not been documented.

In our opinion, one measure of the effectiveness of a training program is the ability to determine whether specific training courses have produced the desired results. Therefore it is essential that data on evaluations of training be fed back to management levels where appropriate decisions can be made. We believe that documented evaluations would provide management with a greater opportunity to systematically analyze the effectiveness of particular training courses in meeting organizational needs.

INADEQUACIES IN DOCUMENTING TRAINING GIVEN

At the installations visited, we reviewed personnel records and held interviews with employees to determine whether the training received was being recorded. At most installations we found that the record of training was not always being placed in the official personnel folder as required.

The Federal Personnel Manual states that the official personnel folder of an individual will contain records of all training courses completed, except for short training periods that would have no bearing on the person's employment elsewhere, such as orientation training. It also provides that a record be in the folder for any period of training that exceeds 40 hours in non-Government facilities.

Generally when all the required training courses were not being recorded in the official personnel folder it was the result of inadequate procedures and controls. Some examples of conditions noted follow.

At an Air Force installation, we reviewed the personnel files of 30 employees and found that, of the 22 courses attended that were for 40 hours or more, only nine had been recorded. We were informed by a training official that the reason the training had not been documented was because the form required by regulations had not been submitted.

At an Army installation a review of the personnel files of 30 employees who had received training showed that the training had been recorded for 24. The six cases in which the training was not recorded represented interagency and non-Government training. We were informed that in these cases officials in the personnel office had had to rely on the employee to report the training because they had no other controls to ensure the reporting of such training.

At a Navy installation a review of 25 employees' personnel records revealed that in 18 cases they had been completely documented regarding training. Six of the seven not properly recorded were attributed to the fact that either the training had been arranged by the employee's department or the training had not required tuition and therefore the personnel office was not involved.

At an overseas installation, of 176 employees who had received formal training during the year, the personnel records of 59, or about 34 percent, did not contain any documentation of the training received.

Although in some cases the procedures appeared adequate, not all the required training was being recorded because of the lack of proper controls. In other cases procedures did not exist to ensure that all training was recorded as required. We believe that, where necessary, procedures should be developed, controls should be installed, and follow-up action should be instituted to ensure that completed training is recorded in the employee's personnel folder.

TRAINING NEEDS NOT CATEGORIZED AS SUGGESTED IN SUBCOMMITTEE REPORT

We found no indication at any of the installations visited that training needs had been classified according to the five categories suggested in House Report 329. The Commission's instructions for the preparation of the annual training report include a request that each reporting unit cite specific examples of training given under each of the five categories suggested by the Subcommittee.

The House report stated that the Subcommittee felt that the types of training justified under the training act logically fell into one of the following categories: (1) to improve present performance; (2) for changes in technology, mission, and equipment; (3) to keep abreast of the state of the art; (4) for future development; and (5) initial training for unavailable skills. The report stated also that, if employees were identified and sent to training on the basis of one of these five categories, it would seem that management at the end of each year could identify more readily where the bulk of the training money was being spent and for what purpose. The report recommended that consideration be given to categorizing training in this manner.

TRAINING OF FOREIGN NATIONAL EMPLOYEES

Our review of the training function at four civilian personnel offices outside the United States indicated that the training program for foreign national employees was similar to that for U.S. civilian employees. We were informed that the criteria and procedures were applied uniformly to both. At all four locations foreign national employees were utilized to assist training personnel in the administration and development of the training program.

We noted that at some locations foreign national employees were required to execute service (employment) agreements under certain circumstances. For example, at one location in the Pacific area, employees were required to execute service agreements when attending non-Government training of more than 30 hours or Government training in excess of 6 weeks. At a location in Europe, we were advised that those employees who received specialized skills

training were required to execute service agreements and that to date none of the agreements had been dishonored.

From information obtained during our review, it appears that the training is made available to foreign national employees under the same policies and procedures as are applied to U.S. civilian employees.

LACK OF INTERNAL AUDITS AND INSPECTIONS

During our fieldwork we noted that, with the exception of one installation, no inspections of the civilian training program had been made by the Commission during fiscal years 1968 and 1969. At six of the 10 CONUS installations, the most recent inspection by the Commission was in 1965. At the other four CONUS installations, the Commission had performed more recent inspections; however, at only one was the training function included as part of the review. At the four civilian personnel offices outside the United States where we conducted our review, there had been no recent inspection by the Commission.

No reviews of the training program had been made in recent years by the military internal auditors. At most installations, however, the program had been subjected to review or evaluation by management personnel. The effectiveness of the reviews made under the direction of management personnel varied as illustrated by the following examples.

As a result of a review at an Army installation in 1968 by representatives of the Office of the Deputy Chief of Staff for Personnel, action had been taken or was planned by officials at the installation on matters relating to the identification of training needs and to the involvement of management in the training program.

At a Navy installation a self-evaluation of the training division was completed in July 1969 as the result of a program provided by the Office of Civilian Manpower Management. The review concluded that all elements of training were adequate. At another Navy installation a command inspection was made in April 1969, and the only significant comment relative to employee development was that a high number of employees were

enrolled in off-duty, self-development courses. Although the results of these two reviews leave the impression that the training program had no deficiencies, we noted that, at both of these installations, the same weaknesses described in the Commission's reviews of several years ago continued to exist.

We believe that there is a need for management to perform reviews of the training program to provide for an evaluation of the various segments of the program. These can be beneficial if a conscientious effort is made to evaluate the results of operations in view of the established objectives. More frequent reviews, however, should also be made by the internal auditors and the Commission to provide management with an evaluation of the training program by an activity independent of the operation of the program.

RECOMMENDATIONS

The Secretary of Defense should take the necessary action to

--ensure that DOD Instruction 1430.5, prescribing policies and standards for the conduct of training, is properly implemented,

--ensure that adequate procedures and management controls are established for recording completed training in the personnel files, and

--promote increased emphasis on surveillance of training activities by the use of management review groups, including internal auditors.

The Chairman of the Civil Service Commission should provide more frequent inspections of the training activities at military departments and DOD agencies.

AGENCY COMMENTS AND GAO EVALUATION

In commenting on our draft report (see app. I), the Commission stated that the absence or inadequacy of training plans at various installations was the lack of a systematic approach to training planning and management. In recognition of this, the Commission is developing a Training Planning and Management System which is based on specific organizational missions or objectives. This system will be available for agencies to use as a model for development of a tailor-made training plan, containing the specific objectives and training resources that will be necessary to meet the objectives.

In regard to training evaluation, the Commission stated that both Government and industry had long identified this as one of the most difficult problems they had to face. The Commission has undertaken the development of several guidelines to assist the agencies in the training evaluation area.

In commenting on our recommendations, DOD agreed (see app. II) that a record of completed training (including such items as date of completion, nature of training, and grade

or rating attained) should be kept in the official personnel folder. DOD, however, questioned the appropriateness of maintaining training evaluation records in the employee's official personnel folder. DOD believes that this information is intended primarily for the use of management and should be readily available for assembly, study, and analysis by management and the training staff.

We agree with DOD's comments. It was not our intention to require that training evaluation records be filed in the employee's official personnel folder. As previously stated in the report, there has not been sufficient follow-up to ensure that evaluations are prepared and submitted so that evaluation data is available for consideration by management.

DOD stated in its comments that action was to be taken to reemphasize to the military departments and to DOD agencies the need to comply with the provisions of DOD Instruction 1430.5 prescribing policies and standards for the conduct of training civilians. As suggested, particular emphasis will be given to measures to ensure that administrative requirements for recordkeeping contained in DOD Instruction 1430.5 are complied with. DOD stated also that the need to cover training activities during internal audits also was recognized and that the coverage of training activities would be provided consistently with the significance of these activities in relation to other audit priorities and to the availability of audit resources.

The Commission stated in its comments that we had erroneously cited the infrequency of inspection at certain DOD installations. The Commission stated also that they had conducted inspections at each of these installations after 1965 and that, except for two installations, the training activities had been inspected during, or after 1965. The Commission agreed that no recent inspections had been made at the four overseas installations.

In subsequent discussion with representatives of the Commission regarding the more recent inspections at the installations we visited, we found that their inspections either were made after the time of our review or had not specifically covered the training items discussed in our report.

In commenting on our recommendations, the Commission agreed that more frequent inspections were needed but cited the problem of balancing priorities against available resources.

The corrective actions indicated by the Commission and DOD appear to be responsive to the conditions cited in our report.

CHAPTER 4

SCOPE OF REVIEW

Our review was directed primarily toward the administration and operation of the training function at the installation level. In performing our review, we examined appropriate sections of the Federal Personnel Manual and DOD and installation regulations and instructions. In addition, we examined fiscal year training reports and related records and interviewed selected employees and their supervisors, training personnel at the installations, and others connected with various facets of the program.

We discussed our findings with appropriate installation officials responsible for the administration and operation of the civilian training program.

We made reviews at the following installations.

Air Force:
- Electronic Systems Division, L. G. Hanscom Field, Massachusetts
- Norton Air Force Base, California
- Sacramento Air Materiel Area, California
- 7101st Air Base Wing, Wiesbaden, Germany

Army:
- U.S. Army Aeronautical Depot Maintenance Center, Texas
- Fort Ord, California
- Tooele Army Depot, Utah
- U.S. Army, Japan
- U.S. Army, Ryukyu Islands
- U.S. Theater Army Area Support Command, Frankfurt, Germany

Defense Supply Agency:
- Defense Contract Administration Services Region, California

Navy:
- Boston Naval Shipyard, Massachusetts
- U.S. Naval Air Station, Corpus Christi, Texas
- Naval Undersea Research and Development Center, California

APPENDIXES

APPENDIX I

UNITED STATES CIVIL SERVICE COMMISSION

WASHINGTON, D.C. 20415

IN REPLY PLEASE REFER TO

YOUR REFERENCE

21 SEP 1970

Mr. Charles M. Bailey
Director, Defense Division
General Accounting Office
Washington, D. C. 20548

Dear Mr. Bailey:

We appreciate the opportunity to comment on the General Accounting Office draft report titled "Improvements Needed in Management of Training in the Department of Defense Under the Government Employees Training Act". Our letter of August 3, 1970, to the Comptroller General outlined current Commission efforts aimed at improving the management of training throughout the Government and also described our attempt to determine the practicality of developing cost models for training. Since then, representatives of the Assistant Secretary of Defense (Comptroller), the Assistant Secretary of Defense (Manpower and Reserve Affairs), and the military departments have cooperated with our Bureau of Training to select a Defense installation in which the cost model concept will be tested in the near future. We believe that this cooperative effort will eventually assist the DOD to remedy some of the training management deficiencies cited in the GAO draft report, especially those dealing with financial management and cost identification.

GAO support of our cost model development efforts, as evidenced by the Comptroller General's letter of August 19, 1970, is most encouraging. However, we wish to emphasize that this effort is purely developmental at this stage and must be thoroughly tested for both validity and practicality before we can consider full scale implementation in Federal agencies.

Enclosed are specific comments on four general subject area categories which we identified in your report -- costs, plans, evaluation, and inspection.

Sincerely yours,

Robert Hampton

Robert E. Hampton
Chairman

Enclosure

1920 THE CIVIL SERVICE RETIREMENT SYSTEM 1970
FIFTY YEARS OF PROGRESS

APPENDIX I

COMMENTS ON GAO DRAFT REPORT TITLED
"IMPROVEMENTS NEEDED IN MANAGEMENT OF TRAINING
IN THE DEPARTMENT OF DEFENSE UNDER THE
GOVERNMENT EMPLOYEES TRAINING ACT"

General

The major deficiencies cited in this report deal primarily with the absence of adequate financial management systems for training in the DOD activities audited. Unfortunately this problem is not unique to DOD -- most Federal agencies have this same problem. We feel that the reasons why this is so are worth some discussion. Large scale training of Federal employees is still relatively new in the Government and expenditures for such training have grown over the past decade. Training management systems have not kept pace with this growth for a host of reasons, e.g., higher agency priorities, lack of systematic analysis, manpower and budget limitations, and lack of top management concern.

As outlined in previous correspondence with GAO, the Commission has begun to fulfill its role in the planning and management of training area and is acquiring the knowledge and technical skills necessary to serve in a consultative and advisory capacity to Federal agencies. In addition, the Bureau of Personnel Management Evaluation, in its review of agency personnel functions, now examines such areas as the responsiveness of training to mission needs, the responsibility for training need determination, development of schedules and priorities, equal training opportunity for minority groups and women, counseling for self-development and advancement, management attitudes toward training, and training evaluation.

Following are specific comments on the individual findings, conclusions, and recommendations in this report. Comments are directed to each of four major subject areas -- costs, plans, evaluation, and inspection.

1. Training Costs/Expenditures (pp. 9-14)

The fiscal year 1967 edition of the Commission's annual training report was the first comprehensive annual review of civilian training activities throughout the Federal service. Since that time, we have been following a phased plan to gradually increase the scope of the training cost information sections of the report because we recognized

that agencies needed time to design, develop, and implement comprehensive training cost reporting systems. Our request for training cost data for the FY 69 annual report asked that agencies provide estimates of internal training expenditures, if available. Approximately one-half of the agencies (not including DOD) were able to furnish such estimates. The FY 70 annual report data request requires that all agencies submit actual internal training expenditures with the exception of trainee salaries.

Although trainee salaries per se have never been included as a distinct cost item in prior annual training reports, the FY 69 report did include training participant man-hours by grade category. Using this data, it is possible to make reasonable estimates of salaries and wages paid to trainees by multiplying average hourly pay rates by the number of participant man-hours.

We recognize that the costs of Government training are understated in prior editions of the Commission's annual training report, but we do not believe it would be practical for DOD or any other large Federal organization to establish procedures requiring that training cost items be identified in accounting systems for the following reasons:

(a) Government programs are primarily planned, budgeted, and accounted for in terms of specific agency missions or objectives rather than in terms of supporting functions such as training. As a result, accounting systems differ from agency to agency (and within agencies).

(b) Modifying existing automated accounting systems to generate training cost data would be an expensive process which would probably rank rather low on agency priority lists in this era of tight budgets and increasing demand for services.

We believe it is possible for agencies to develop analytically derived and periodically adjusted cost estimates which would be adequate for training management purposes. It is not necessary to determine the cost of Government training to the penny. In fact, the total cost of training, by itself, is irrelevant. The value or benefit of training compared to its cost is the critical factor in determining the effectiveness of agency training activities. Current Commission efforts are directed towards development of planning and management systems for training which could be used by agencies to determine both the total cost and value of their training activities.

APPENDIX I

The cost model development effort currently being conducted by the Commission is aimed primarily at determining the cost of internal training and therefore the model will include trainee hourly wages and lost productivity factors, which are the largest internal training costs. In addition, the model will include such items as overhead costs, i.e., building leases or rentals, utilities, special facilities, equipment, etc.

The finding that erroneous training expenditure reports result from inaccurate training cost bookkeeping is not surprising. However, we believe that the installation of more rigid bookkeeping systems would only serve to compound the problem. Typically, training personnel are not also accountants or bookkeepers, nor should they be. Yet, training personnel are usually responsible for maintaining training cost records for reporting purposes. Therefore, in recognition of this problem, cost and value analysis models we are now developing include a variety of simplified work sheets, tables, and guides which can be easily used by training staff members who have not had any prior accounting or bookkeeping experience. Of course, agency budget and finance personnel will have to cooperate with the training staff in the identification of any cost data elements that are unique to a given agency.

The statement on page 10 that "the training reports prepared in the Department of Defense do not include the Commission's request for the cost of internal training ... which normally accounts for more than 75 percent of the total training costs" cannot be supported. We suspect that this "more than 75 percent" rate was calculated from the training participation data contained in the Commission's FY 69 annual report of training. Although it is true that 73.7 percent of total participant man-hours and 78.5 percent of total training instances during FY 69 were reported as internal training by DOD, it cannot be assumed that the ratio of internal costs to total costs is directly proportional to the ratio of internal participation to total participation. Therefore, in the absence of reliable data, it is impossible to determine the ratio of internal to total training costs.

In summary, we believe it possible to determine both training costs and benefits for use in planning, management, and reporting of training without the establishment of rigid accounting procedures -- provided that both training and financial management staffs work closely together on a regular basis.

2. Training Plans (pp. 15-19)

We believe that the absence or inadequacy of training plans at various installations is only a symptom of a more fundamental problem, i.e. lack of a systematic approach to training planning and management. Until such time as training needs are identified in terms of specific organizational missions and objectives, most training plans will continue to be inadequate. In recognition of this, the Commission is developing a Training Planning and Management System which is based on specific organizational missions or objectives. This system will be available for agencies to use as a model for development of a "tailor-made" training plan containing specific objectives and the training resources that will be necessary to meet these objectives.

3. Training Evaluation (pp. 22-23)

Training personnel in both Government and industry have long identified training evaluation as one of the most difficult problems they have to face. This is hardly surprising because of the confusion which surrounds the term evaluation. In an effort to clear up this confusion the Commission has undertaken the development of several guidelines in the training evaluation area. One of them, "Training Evaluation: A Guide to Its Planning, Development, and Use in Training Courses", has been completed and will be sent to GPO for printing shortly and should be distributed to agencies by December 1970. This guidelines provides training specialists with an approach to evaluation which, with appropriate modification, can be applied to many situations where a training course has been developed internally to meet an organization's needs. In addition, the guideline includes an evaluation system model which can be used by training specialists as a basis for installing and conducting their own evaluation program. Three additional guidelines are currently under development and should be completed during the next nine months. One deals with the post-course evaluation of performance. The second presents a procedure which can be used by agency management when deciding whether or not training will meet organizational requirements. A third is a value analysis model for training which, if successful, could be used in conjunction with a cost model to assist agencies to compute the cost/benefit ratio of a particular type of training.

4. Inspections (pp. 26-28)

The GAO report, erroneously, cited the infrequency of inspections at certain DOD installations by the Commission. Specifically, GAO stated

that: Only one inspection had been made of a civilian training program in the last two fiscal years; the most recent inspection, according to GAO, at six of ten CONUS installations was in 1965; at the remaining four CONUS installations inspections were more recent but only one included training as part of the review; and no recent inspection has been made at four overseas installations.

We have, in fact, conducted inspections at each of these installations since 1965 and, except for two installations, the training activity has been inspected during or since 1965. Furthermore, three of the installations have had inspections of the civilian training program during the last two fiscal years.

GAO is correct, however, in finding that no recent inspections have been made at the four overseas installations. The tight budgetary situation of the past several years has not permitted the resources for overseas evaluations. However, we will participate with Air Force in a joint review of personnel management at several European bases (including the 7101st Air Base Wing in Wiesbaden) during the fall of 1970 and we are developing plans to join overseas Army teams later this fiscal year.

CSC inspection efforts aimed at training activities have been similar to those of GAO. We look into such factors as the responsiveness of training to mission needs, the responsibility for determining needs, the development of schedules and priorities, equal training opportunities for minority groups and women, counseling for self-development and advancement, management attitude toward training, records of completed training, supervisory training, and training evaluation. The findings in the GAO draft report support the findings we have made at five of the installations which both of our agencies have inspected. Specifically:

- L. G. Hanscom Field - lacks a systematic program.
- Norton AFB - needs to further improve the identification and documentation of training needs; more emphasis is needed on training key management.
- Fort Ord - needs to strengthen the evaluation of training effectiveness.
- U. S. Naval Air Station at Beeville, Texas - needs to identify training needs as related to mission accomplishment; needs coordination and planning between personnel and managers; training is concentrated at higher levels.

Boston Naval Shipyard - failed to conduct an annual survey of training needs and set priorities; needs centralized planning and developing of a systematic approach for analyzing training expenditures.

Finally, GAO recommended that the Commission provide more frequent inspections of the training activities at military departments and DOD agencies. The Commission agrees that more frequent inspections are needed, not only at DOD agencies but at other agencies as well. In fact, we do increase our inspection activity each year as resources permit. However, we have the same problem that GAO has of balancing priorities against available resources. We have 4,066 inspectable units (units with 50 or more employees) of which 966 are DOD units. As of June 30, 1970, we had 127 full-time and 45 part-time inspectors available to inspect these units. These inspectors completed 437 inspections in FY 70.

Furthermore, the GAO should not overlook the fact that the agencies have a primary responsibility for personnel management and for evaluation of personnel management, including training. President Nixon, in his memorandum of October 9, 1969, directed each executive department and agency to establish a system to review periodically the effectiveness of personnel management within their organization.

While the Commission will continue to provide leadership in evaluation and to complement agency reviews this requirement that agencies establish systems for assessing their own effectiveness will further enlarge and strengthen the total government-wide personnel management evaluation effort.

APPENDIX II

ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

MANPOWER AND
RESERVE AFFAIRS

2 OCT 1970

Honorable Elmer B. Staats
Comptroller General of the
United States

Dear Mr. Staats:

Attached are Department of Defense comments on the draft GAO report to Congress on improvements needed in management of training in the Department of Defense under the Government Employees Training Act.

The Department of Defense recognizes the importance of this vital activity and will institute action programs for improving the effectiveness with which training activities are managed.

Sincerely,

Roger T. Kelley

Roger T. Kelley

Attachments

DOD COMMENTS TO GAO
RECOMMENDATIONS OR SUGGESTIONS CONTAINED IN DRAFT REPORT ON
"IMPROVEMENTS NEEDED IN MANAGEMENT OF TRAINING IN THE
DEPARTMENT OF DEFENSE UNDER THE
GOVERNMENT EMPLOYEES TRAINING ACT" (OSD CASE #3145)

GAO RECOMMENDATION

"The Secretary of Defense consider the feasibility of instituting procedures to require training cost items to be identified in the accounting system so as to make this data available to managers at all levels in order for them to make sound decisions on various training programs. This data would also be the basis of the cost information required in the annual training report as well as for determining the total cost of the Federal training program in the DOD. (See p. 14.)"

DOD COMMENT

The Department of Defense recognizes the importance of identifying and recording elements of costs associated with training of personnel and will continue to cooperate fully with the Civil Service Commission in the development of long-range improvements in the financial management of training operations Government-wide. We plan to continue to work with the Civil Service Commission (a) to develop criteria for testing its training cost model at a Department of Defense installation; and (b) to participate actively in the Civil Service Commission's improvement program by testing the system that it is developing for Government-wide application. The Commission's approach, if successful, may make it unnecessary to attempt the difficult and potentially expensive task of adding training cost items to our present accounting system.

GAO RECOMMENDATION

"The Secretary of Defense take the actions necessary to (1) ensure that the provisions of the DOD Instruction 1430.5, prescribing policies and standards for the conduct of training, are properly implemented, (2) ensure that adequate procedures and management controls are established for recording completed training in the personnel file, and (3) promote increased emphasis by management review groups, including internal auditors, on surveillance of training activities. (See pp. 27 and 28.)"

DOD COMMENT

Action is to be taken to reemphasize to the military departments and the Defense agencies the need to comply with the provisions of DoD Instruction 1430.5, prescribing policies and standards for the conduct of training

civilians. As recommended, particular emphasis will be given to measures to assure that administrative requirements for record keeping contained in DoD Instruction 1430.5 are complied with.

The need to cover training activities during internal audits to assure compliance with existing policies and procedures also is recognized. Coverage of training activities during internal audits will be provided consistent with the significance of these activities in relation to other audit priorities and the availability of audit resources.

With respect to the recommendation that evaluations of completed training be filed in the employee's official personnel folder, we agree that records evaluating training are important, but we do not consider the employee's official personnel folder the proper place for recording such evaluations. We agree that a record of completed training including such items as date of completion, nature of training and grade or rating attained, be kept in the official personnel folder. However, if by evaluation of training is meant a detailed analysis to determine the benefits derived from the training and a determination of the degree the training has achieved employee training objectives, then we question the appropriateness of recording this kind of information in the employee's official personnel folder. In our opinion, such information is intended primarily for the use of management and should be centrally and readily available for assembly, study and analysis by management and the training staff. Further, the purpose served by the requirement of maintaining training evaluation records in the employee's official personnel folder should be carefully examined and justified in terms of the added administrative and clerical costs resulting by making such a requirement mandatory.

GAO COMMENT

"...However, instructions to the military installations for the preparation of its 1969 training report did not include the Commission's request for the cost of internal training and, as a result, these costs were not reported..." (See p. 10.)

DOD COMMENT

The Department of Defense did not get the instruction from the Civil Service Commission in time to make the necessary adjustments to its reporting procedures so as to make possible the gathering of the information for the year 1969 without incurring excessive costs. Because of this, the Department of Defense, with the approval of the Civil Service Commission, delayed the implementation of the requirement for submission of the data on internal training until the following year. The data for 1970 is being submitted to the Civil Service Commission in this year's annual training report to Congress.

APPENDIX III

PRINCIPAL OFFICIALS OF

THE DEPARTMENT OF DEFENSE, THE MILITARY DEPARTMENTS

AND THE UNITED STATES CIVIL SERVICE COMMISSION

RESPONSIBLE FOR ADMINISTRATION OF ACTIVITIES

DISCUSSED IN THIS REPORT

	Tenure of office	
	From	To
DEPARTMENT OF DEFENSE		
SECRETARY OF DEFENSE:		
Melvin R. Laird	Jan. 1969	Present
Clark M. Clifford	Mar. 1968	Jan. 1969
Robert S. McNamara	Jan. 1961	Feb. 1968
ASSISTANT SECRETARY OF DEFENSE (MANPOWER AND RESERVE AFFAIRS):		
Roger T. Kelley	Mar. 1969	Present
Vice Admiral W. P. Mack (acting)	Feb. 1969	Mar. 1969
Alfred B. Fitt	Oct. 1967	Jan. 1969
Thomas D. Morris	Oct. 1965	Sept. 1967
DEPARTMENT OF THE AIR FORCE		
SECRETARY OF THE AIR FORCE:		
Dr. Robert C. Seamans, Jr.	Jan. 1969	Present
Dr. Harold Brown	Oct. 1965	Jan. 1969
ASSISTANT SECRETARY OF THE AIR FORCE (MANPOWER AND RESERVE AFFAIRS):		
James P. Goode (acting)	Apr. 1970	Present
Dr. Curtis W. Tarr	June 1969	Apr. 1970
James P. Goode (acting)	Mar. 1969	June 1969
J. William Doolittle	Apr. 1968	Mar. 1969
Dr. Eugene T. Ferraro (acting)	Jan. 1968	Mar. 1968
Dr. Eugene T. Ferraro (note a)	June 1966	Dec. 1967

APPENDIX III

	Tenure of office	
	From	To
DEPARTMENT OF THE ARMY		
SECRETARY OF THE ARMY:		
Stanley R. Resor	July 1965	Present
ASSISTANT SECRETARY OF THE ARMY (MANPOWER AND RESERVE AFFAIRS):		
William K. Brehm	Apr. 1968	Present
Arthur W. Allen, Jr. (acting)	Jan. 1968	Apr. 1968
Arthur W. Allen, Jr. (note a)	Oct. 1963	Jan. 1968
DEPARTMENT OF THE NAVY		
SECRETARY OF THE NAVY:		
John H. Chafee	Jan. 1969	Present
Paul R. Ignatius	Aug. 1967	Jan. 1969
John T. McNaughton	July 1967	July 1967
Paul H. Nitze	Nov. 1963	June 1967
ASSISTANT SECRETARY OF THE NAVY (MANPOWER AND RESERVE AFFAIRS):		
James D. Hittle	Feb. 1969	Present
Randolph S. Driver (note a)	Aug. 1967	Feb. 1969
UNITED STATES CIVIL SERVICE COMMISSION		
CHAIRMAN:		
Robert E. Hampton	Jan. 1969	Present
John W. Macy, Jr.	Mar. 1961	Jan. 1969

[a]Performed corresponding duties as Deputy Under Secretary (Manpower) prior to creation of present office in January 1968.

ERIC Clearinghouse
AUG7 1972
on Adult Education

U.S. GAO Wash., D.C.